

WASHINGTON - **Rep. Brad Miller** (NC-13), a member of the House Financial Services Committee, today offered the following statement applauding

SEC Chairman Christopher Cox

and the SEC staff for their letter on FAS 140. In June, Rep. Miller took the lead in drafting a letter sent to the SEC asking for clarification on the accounting rule that has hindered subprime mortgage borrowers from modifying the terms of their loans.

The question comes as subprime borrowers seek ways of maintaining good credit and remaining in their homes despite the rising rate of mortgage foreclosures. Rep. Miller and other Members of Congress were seeking clarity on what makes the likelihood of a default "reasonably foreseeable" so that institutions could make modifications to loans without violating FAS 140 and without waiting until the borrower actually defaults.

"This is a constructive initiative that will allow mortgage lenders to help homeowners trapped in bad loans avoid foreclosure," said Rep. Miller. "When a middle class family loses their home to foreclosure, they fall out of the middle class into poverty, and will likely never climb out."

Please [click](#) to view the letter to Chairman Cox dated June 15, 2007.

Please [click](#) on the following link to view Chairman Cox's July 25, 2007 response.

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